

**PUBLIC DISCLOSURE**

FEBRUARY 25, 2002

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**MANSFIELD CO-OPERATIVE BANK**

**80 NORTH STREET  
MANSFIELD, MASSACHUSETTS 02048**

**DIVISION OF BANKS  
ONE SOUTH STATION  
BOSTON, MA 02110**

<p><b>NOTE:</b> This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of MANSFIELD CO-OPERATIVE BANK prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

### **INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"**

A CRA rating of "Satisfactory" is assigned. An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire assessment area, including low and moderate-income individuals, in a manner consistent with its resources and capabilities.

Mansfield Co-operative Bank's rating of satisfactory is predicated upon the following five performance criterion. The bank's average net loan-to-deposit for the previous eight quarterly periods was determined to be 68.7 percent and meets the standards for satisfactory performance at this time.

Lending within the assessment area is also considered to meet the standards for satisfactory performance. During 2000 and 2001, the bank granted a total of 319 mortgage loans, of which 169 or 53.0% were located within its assessment area.

An analysis of the bank's lending activity by borrower income revealed that 32.8% of all residential originations were granted to low and moderate-income members. Performance under this criterion was found to exceed the standards for satisfactory performance.

Mansfield Co-operative Bank's Fair Lending performance was also considered to meet the standards of satisfactory performance.

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Mansfield Co-operative Bank is a mutually owned, state chartered institution headquartered in Mansfield, Massachusetts. Its main office is located at 80 North Main Street in Mansfield, Massachusetts. A branch office, which was opened on November 7, 2000, is located at 225 West Main Street in Norton.

Office hours are 8:30 a.m. to 4:00 p.m. Monday, Tuesday, Wednesday and Friday; 8:30 a.m. to 7:30 p.m. on Thursday; and 9:00 a.m. to 12:00 p.m. on Saturday. Drive-up hours are similar except on Monday, Tuesday Wednesday and Friday, the drive-up closes at 4:30 p.m. There are Automatic Teller Machines (ATMs) at both offices, which are connected to NYCE and CIRRUS networks.

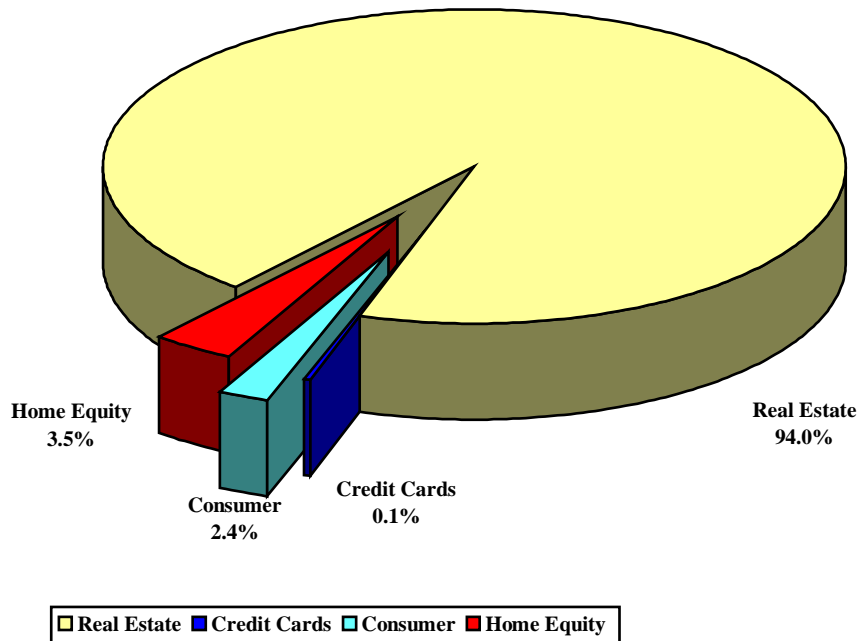
The bank's staff includes 44 full-time employees and 23 part-time employees.

As of December 31, 2001, the institution had total assets of \$206.9 million with total loans representing \$118.2 million or 55.8 percent of total assets. The bank is predominantly a residential mortgage lender with 94.0 percent of its loans representing real estate related loan products.

The graph below depicts the composition of the bank's loan portfolio based on the FFIEC Call Report of Condition.

Refer to the following graph for additional information.

**LOAN PORTFOLIO BY TYPE  
MANSFIELD CO-OPERATIVE BANK  
AS OF DECEMBER 31, 2001**



Source: FFIEC CALL Report

The bank's flexible lending products include: an internal First-Time Homebuyer Program, the Massachusetts Housing Finance Agency (MHFA) Municipal Employees Mortgage Loan Program; a Reverse Mortgage Loan Program in conjunction with Homeowner Options for Massachusetts Elders, a home improvement loan program in conjunction with the Town of Mansfield and the Small Business Administration (SBA) Loan Program.

There appears to be no significant financial or legal impediments which would limit the bank's ability to help meet the credit needs of its assessment area.

Mansfield Cooperative Bank has direct competition within the immediate area from several institutions including FleetBank, Peoples Savings Bank and North Easton Savings Bank.

The bank was last examined for compliance by the Federal Deposit Insurance Corporation on March 30, 1999. That examination resulted in a Satisfactory rating.

## **DESCRIPTION OF ASSESSMENT AREA**

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which the bank will focus its lending efforts. The Division of Banks evaluates the institution's CRA performance based on the defined assessment area. Generally, assessment area(s) are expected to consist of Metropolitan Statistical Areas (MSAs) or contiguous political subdivisions such as counties, cities and towns.

For purposes of this examination, Mansfield Co-operative Bank's assessment area is defined as the towns of Mansfield, Norton and Foxboro. This delineation places the bank's assessment area within the Boston Metropolitan Statistical Area (MSA). Through a Board of Director's vote dated November 13, 2001 the bank officially sought to remove the Town of Foxboro from its assessment area. However, since Foxboro was a part of the bank's assessment area for a substantial majority (22 months) of this examination period it was included in this evaluation.

Incorporated in 1775, Mansfield is a growing community of nearly 20,000 residents located in southeastern Massachusetts. From 1980 to 1996, Mansfield's town population has grown from 13,500 to 20,000, representing a 48 percent increase. Mansfield is a blend of suburban, rural, residential and industrial environments. The assessment area includes a substantial number of industrial parks including Cabot Business Park in Mansfield, Foxborough Business Center, Foxborough Industrial Park and Norton Commerce Center. The three largest employers located within the bank's assessment area include The Foxborough Company, Motorola/ISG and Hallsmith Sysco Food Services.

### **Demographic and Economic Data**

According to 1990 Census Data, Mansfield Co-operative Bank's assessment area has a total population of 45,470. The assessment area consists of 8 census tracts, 7 of which are designated as middle income and 1 as moderate-income.

1990 census data on housing within the bank's assessment area indicates that the assessment area is composed primarily of 1-4 family dwellings, representing 78 percent of total housing units. The assessment area has a relatively high owner-occupancy rate of 65.9 percent. The median home value for owner-occupied properties is \$162,729.00 and the majority of structures in the Town of Mansfield were built before 1964.

The majority of new real estate development within the Town of Mansfield is higher-priced, single-family homes. According to the Warren Group /Bankers and Tradesman, the median selling price for real estate in Mansfield was \$270,000.00 in calendar year 2001. A review of real estate sales reported by Bankers and Tradesman indicate that this same trend is experienced throughout the bank's assessment area.

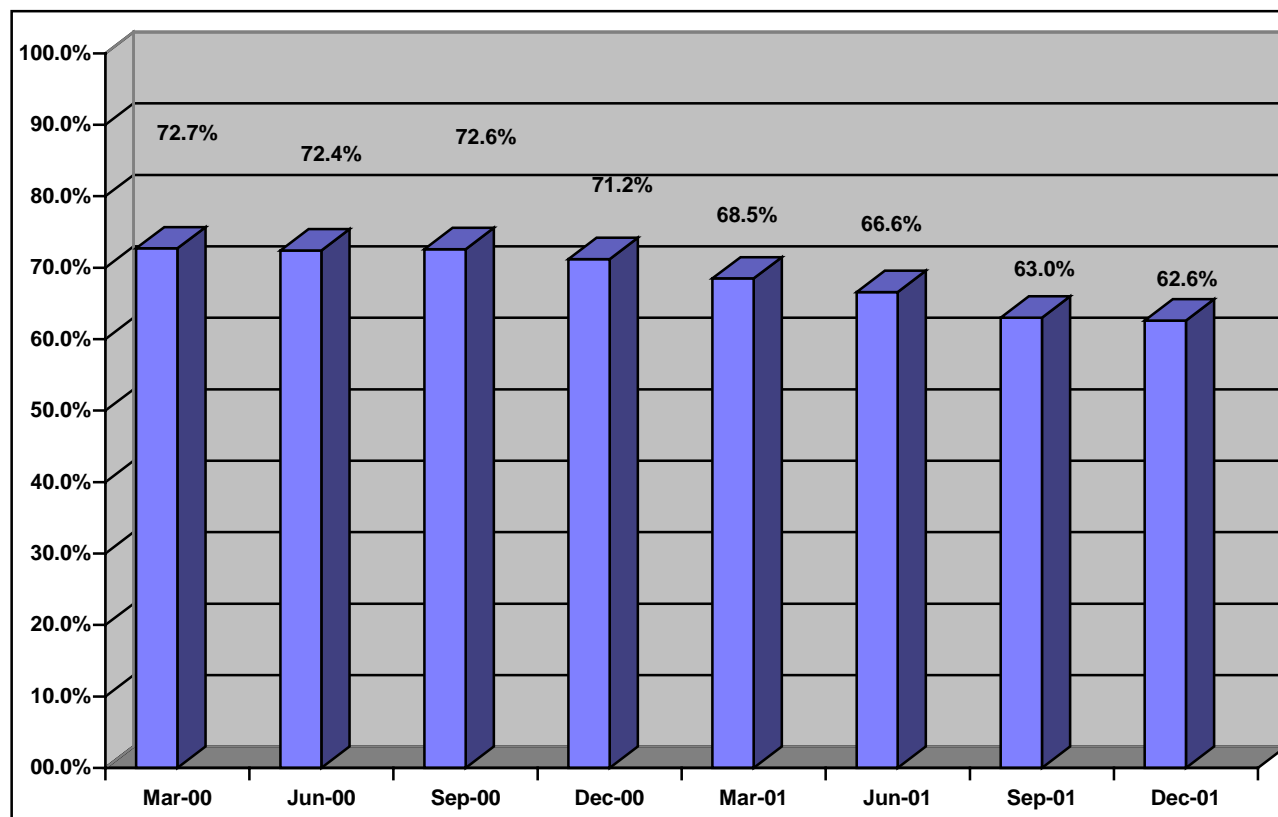
## **PERFORMANCE CRITERIA**

### **1. LOAN TO DEPOSIT ANALYSIS**

An analysis of Mansfield Co-operative Bank's net loan to deposit ratio was performed during the examination. The calculation incorporated eight quarters of the bank's total loan to total deposit figures utilizing the FFIEC quarterly call reports. This review included the quarters ending March 30, 2000, through December 31, 2001.

The institution's average net loan to deposit ratio during this period was determined to be 68.7 percent which is reasonable given the bank's asset size, resources, competition, lending strategy and the credit needs of its assessment area.

The following graph illustrates the loan to deposit trends.



As indicated in the above graph, the ratios began a downward trend starting in September 2000. This declining trend for both years is attributable to deposit growth outpacing lending activity. It is evident that in 2001, the decline became more significant, decreasing from 71.2 percent in December 2000 to 64.3 percent in December 2001. It is assumed that events occurring during the latter half of 2001 contributed to a decline in the demand for mortgages and consumer credit.

An analysis based upon FFIEC Call Report data, compared Mansfield Co-operative Bank's net loan-to-deposit ratio for December 31, 2001 to that of comparable institutions of similar asset size. This report revealed that the bank's loan to deposit ratio of 62.5 percent was low when compared to these other institutions. The ratios for the comparables ranged from 85.5 percent to 87.8 percent.

The following table illustrates the loan-to-deposit ratios for comparable institutions within the bank's assessment area.

<b>Name</b>	<b>Asset Size (000)</b>	<b>Loan to Deposit Ratio(%)</b>
Mansfield Co-operative Bank	\$206,682	62.5
Mt. Washington Co-operative Bank	\$246,806	85.5
Norwood Co-operative Bank	\$254.185	87.8

Source FFIEC Call Report Data, 12/31/2001

Based on the above information and Mansfield Co-operative Bank's capacity to lend, the capacity of other similarly situated institutions to lend in the assessment area, demographic and economic factors, the lending opportunities available, Mansfield Co-operative Bank's loan to deposit ratio meets the standards for satisfactory performance.

## **2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)**

Data regarding the bank's residential mortgage lending activity for 2000 and 2001 was reviewed to determine the proportion of loans within the assessment area by number of originations and dollar amount. Mortgage lending data was obtained from the bank's Loan Application Register (LAR) filed under the provisions of the Home Mortgage Disclosure Act (HMDA).

The bank originated 319 HMDA-reportable loans during the examination period. A total of 169 loans or 53.0 percent were originated within the bank's assessment area. The Town of Mansfield represented the largest number of residential loan originations with 112 or 35.1 percent, followed by Norton with 43 or 13.5 percent. The Town of Foxboro accounted for 13 originations or 4.1 percent. Refer to the following table.

<b><i>Distribution of HMDA Loans Inside and Outside of the Assessment Area</i></b>										
<b><i>Year</i></b>	<b><i>Number of Loans</i></b>					<b><i>Dollars in Loans (000s)</i></b>				
	<b><i>Inside</i></b>		<b><i>Outside</i></b>		<b><i>Total</i></b>	<b><i>Inside</i></b>		<b><i>Outside</i></b>		<b><i>Total</i></b>
	<b><i>#</i></b>	<b><i>%</i></b>	<b><i>#</i></b>	<b><i>%</i></b>		<b><i>\$</i></b>	<b><i>%</i></b>	<b><i>\$</i></b>	<b><i>%</i></b>	
<b><i>2000</i></b>	58	40.0	87	60.0	145	7,265	30.7	16,430	69.3	23,695
<b><i>2001</i></b>	111	63.8	63	36.2	174	13,920	61.5	8,717	38.5	22,637
<b><i>TOTAL</i></b>	169	53.0	150	47.0	319	21,185	45.7	25,147	54.3	46,332

Source: HMDA LAR

According to an analysis of market share data of all HMDA-reporting lenders within the assessment area, the bank was ranked 9th out of a total of 267 lenders. Taking into consideration the size of the bank and the opportunities for lending within the bank's assessment area, the percentage of lending within the bank's assessment area is adequate.

Mansfield Co-operative Bank's loan distribution reflects a reasonable dispersion throughout the assessment area. Therefore, the bank meets the standards for satisfactory performance for this criterion.

### **3. LENDING TO BORROWERS OF DIFFERENT INCOMES**

An analysis was conducted of the bank's residential mortgage loans extended within the assessment area to determine the distribution of loans among borrowers of various income levels. Originations were categorized by the ratio of the applicant's reported income to the 2000 and 2001 estimated median family incomes of the Boston Metropolitan Statistical Areas (MSAs). The median family income for the Boston MSA was \$65,500 for 2000 and \$70,000 for 2001. Income figures were based on estimated 2000 and 2001 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income. Middle income is defined as income between 80 and 119 percent of the median family income. Upper income is defined as income greater than 120 percent of the median family income.

For the current examination period, of the total mortgage loans originated by the bank, 23 or 13.7 percent were granted to low-income borrowers and 32 or 19.0 percent were granted to moderate-income borrowers. Refer to the following table.



Distribution of HMDA Loans by Borrower Income									
Median Family Income Level	% Households	Aggregate Lending Data 2000		2000		2001		Total	
		#	%	#	%	#	%	#	%
<b>LOW</b>	<b>16.2</b>	108	4.5	10	17.3	13	11.7	23	13.7
<b>MODERATE</b>	<b>15.1</b>	349	14.6	9	15.5	23	20.7	32	19.0
<b>MIDDLE</b>	<b>22.4</b>	575	24.1	9	15.5	32	28.8	41	24.2
<b>UPPER</b>	<b>46.3</b>	938	39.4	30	51.7	43	38.7	73	43.1
<b>NA</b>		415	17.4	0	0.0	0	0.0	0	0.0
<b>TOTAL</b>	<b>100%</b>	<b>2,385</b>	<b>100%</b>	<b>58</b>	<b>100%</b>	<b>111</b>	<b>100%</b>	<b>169</b>	<b>100%</b>

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

Data obtained from the PCI Services, CRA WIZ software was reviewed to compare Mansfield Co-operative Bank's performance to that of other financial institutions granting loans within the assessment area during Year 2000 (the most recent information available). This information indicated that Mansfield Co-operative Bank's performance was substantially above the aggregate. Other HMDA reporting lenders within the bank's assessment area, granted 19.1 percent of their loans to low and moderate-income individuals compared to the bank's 32.8 percent.

The bank has shown a willingness to lend to applicants of low and moderate-income. Given the demographics of the assessment area and the above information, the distribution of credit reflects an excellent dispersion among individuals of different income levels, including those of low and moderate-income. Therefore, the distribution of credit among different income levels exceeds the standards for satisfactory performance.

#### 4. GEOGRAPHIC DISTRIBUTION OF LOANS

Lending activity within the assessment area was reviewed in order to determine the extent to which the bank has been able to meet the credit needs of the assessment area.

The assessment area is mainly comprised of middle-income census tracts, with one moderate-income tract located in Foxboro. The one low-income census tract has a low number of owner-occupied households and provides limited lending opportunities. All mortgage loans originated during the examination period within the bank's assessment area were located in census tracts designated as middle-income.

The bank is therefore considered to meet the standards for satisfactory performance in generating loans from its assessment area.

## **5. REVIEW OF COMPLAINTS/ FAIR LENDING POLICIES AND PRACTICES**

### **REVIEW OF COMPLAINTS**

The bank has not received any complaints related to its CRA performance since the last examination.

### **FAIR LENDING POLICIES AND PRACTICES**

The bank has included a Fair Lending Statement as part of its Lending Policy. The following activities below compare how the bank's fair lending activities relate to the guidelines set forth in the Division of Banks Regulatory Bulletin 2.3 - 101.

The bank's marketing activity includes lobby brochures and statement stuffers. The bank regularly advertises its products and services in the local newspaper The Sun Chronicle (Attleboro), Mansfield News, Norton Mirror and The Brockton Enterprise.

The bank is active in several community-based organizations including The Tri-Town Chamber of Commerce and The United Way. Several bank officers are individually involved within several local organizations including, the Homeowner Options for Massachusetts Elders, Mansfield Lions, SE Chapter American Red Cross and The Kennedy-Donovan Center Downtown Business Association.

The bank participates in the Mass Housing "Municipal Mortgage Program" which helps municipal employees buy a home with no down payment in the city or town where they work. Mass Housing (MHFA) is the state's housing authority sometimes referred to as the state's affordable housing bank.

The bank sponsored a first-time homebuyer seminar in which 40 local residents participated. Presentations were made by bank representatives, a local realtor, a real estate attorney and a home inspector. Bank employees also received education and four such employees attended a Fair Lending Seminar "Southeastern Mass. Credit Grantors Fair Lending Training" on March 6, 2001.

The bank has established a website [www.mansfieldbankonline.com](http://www.mansfieldbankonline.com), which includes information on all products and services offered with e-mail capabilities.

The bank employs a second review policy under which the credit committee completes a second review of denied loan applications to ensure that the denial is made in accordance with bank policies and applicable laws.

**THE COMMONWEALTH OF MASSACHUSETTS**

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

**MANSFIELD CO-OPERATIVE BANK**

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **FEBURARY 25, 2002**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.